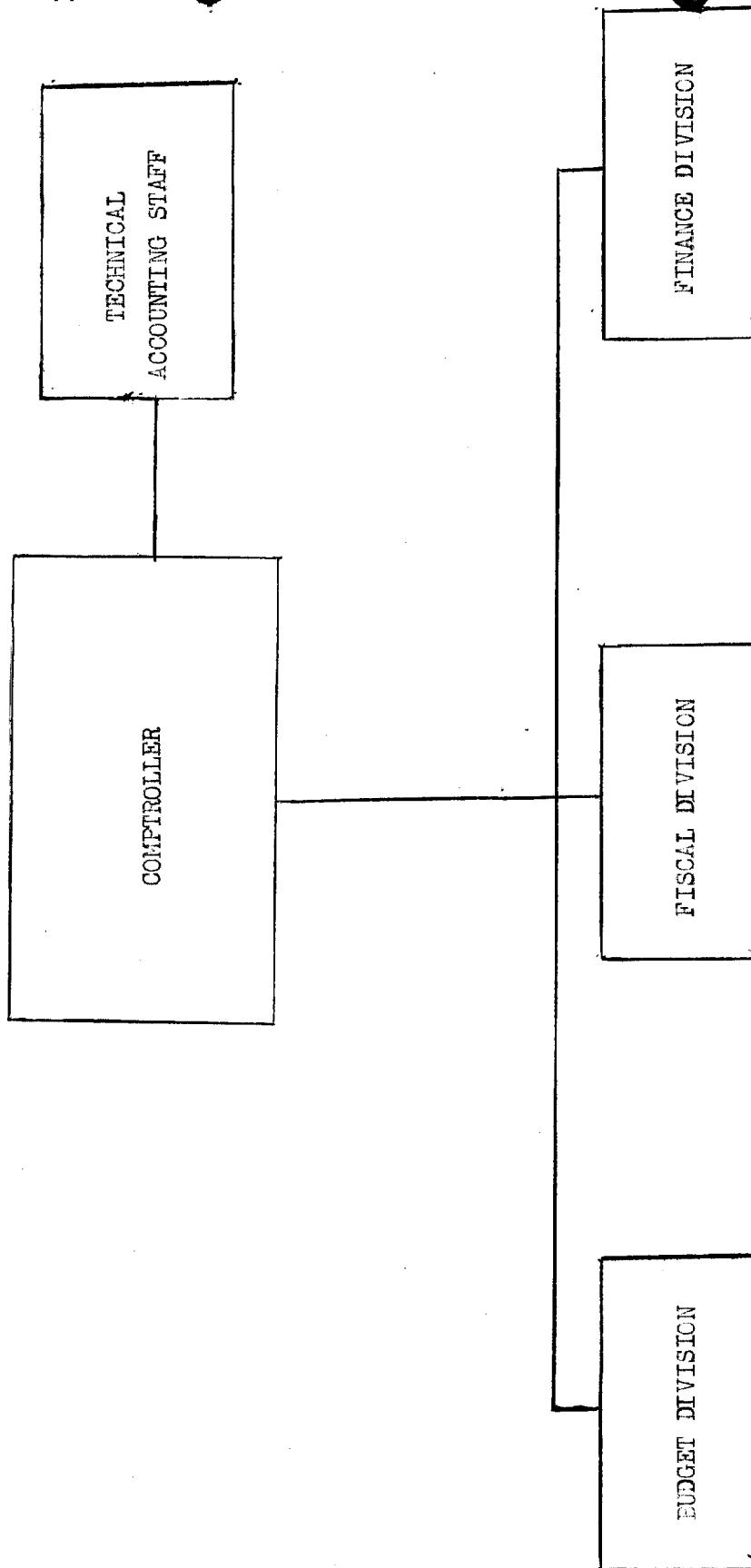


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SECURITY INFORMATION
TECHNICAL ACCOUNTING STAFFSTATEMENT OF FUNCTIONS:

The Technical Accounting Staff is responsible for planning, developing, coordinating, supervising and administering a program involving the

- (1) formulation of current and long range accounting policies and programs involving financial control, accounting and reporting of CIA vouchered and unvouchered funds;
- (2) directing of procedural studies and surveys for the purpose of determining appropriate accounting techniques and methods to be applied;
- (3) preparation of fiscal procedure manuals including accounting, examination and reporting procedures for both vouchered and unvouchered funds;
- (4) installation of difficult and important fiscal and accounting systems, controls, practices and methods in domestic and field offices;
- (5) analysis and review of the fiscal and accounting operations of CIA accounting and fiscal offices and agents through periodic, regular and special inspections for the purpose of determining compliance with or variance from established fiscal and accounting policies, practices, and procedures;
- (6) devising and recommending appropriate corrective measures with respect to mal-practices, errors and inadequacies in fiscal and accounting operations;
- (7) serving in a consulting and advisory capacity as representative of the Comptroller at program policy meetings and conferences at which fiscal policy may be involved;
- (8) development of work measurement techniques and methods and installation of systems to control and measure production and efficiency of Fiscal and Finance personnel and equipment utilization; and
- (9) review and analyze the operations of Fiscal and Finance offices for purpose of determining their compliance with standards of production, the status and volume of workloads, and personnel and equipment needs.

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SECURITY INFORMATION

Office Memorandum • UNITED STATES GOVERNMENT

TO : Comptroller

DATE: 7 May 1952

FROM : Deputy Comptroller

SUBJECT: Establishment of Technical Accounting Staff

1. As we have discussed on several occasions, it is imperative that we take appropriate steps to establish a staff of high level accountants to accomplish the large amount of staff work of the Comptroller's Office including the many accounting and fiscal procedural studies, developments, and installations, and the necessary inspections which we agree are necessary and for which we have no adequate provision in our present structure.

2. At the present time too much of your and my time is devoted to developing answers to accounting, audit and financial problems that occur daily which involve policy determinations and decisions but which require hours of research and development. The determinations and decisions should be made in most instances by us, but the research and development should be accomplished by staff employees. The Chief of the Finance Division and the Fiscal Division and their immediate assistants also do some of this development work and this results in diverting their time from the supervision of the operations of their Office, and reduces their effectiveness in this respect. Particularly is this true with respect to the Finance Division. The Chief of this division and his staff have a terrifically difficult responsibility with respect to maintaining accounts properly and currently, accomplishing audits currently and effectively, handling complex financial activities, and rendering meaningful reports and financial statements. The administration of the large number of personnel involved in this work and the direction and supervision of the work should receive the complete attention of the heads of that office, and staff work should be performed elsewhere in a properly established staff organization.

3. Necessary procedural studies, developments and installations, and necessary surveys and inspections, are just not being adequately accomplished because there is no staff of accountants developed for this purpose.

4. Our present approach to this latter problem is a very undesirable method of forming task forces which are comprised of operating personnel who must be removed from very important Finance operations. This is best exemplified by our recent necessity of appointing a task force of Mr. [REDACTED] to develop and prepare procedures for covert allotment and obligation accounting records and reports. These two men occupy important key positions in the Finance Division, and the Finance Division will be handicapped by being deprived of their services for several months. However, under our present organization,

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SECURITY INFORMATION
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this approach is the only means of accomplishing this very necessary project.

5. The problems described are met in most Finance organizations by establishing a staff organization of highly qualified and highly graded accountants to carry out such responsibilities. The last organization that I was with, "Production Marketing Administration", Department of Agriculture, entitled this staff "The Technical Staff". During the war when I was a consultant to the Office of Budget and Finance of the Army, we established such a staff as the "Control Staff". In every instance, my experience has been that this approach is highly effective. As far as I know, every government finance office of any size has such a staff organization.

6. The number of persons assigned to such staffs in the various finance offices of the government varies with the volume of the work, and the grades are based upon the complexities of the accounting and finance problems of the agency. But consistently the persons recruited for this type of responsibility must be the highest qualified technicians in the finance organization and their grades must therefore be correspondingly high.

7. The accounting and financial problems of CIA that occur daily and the accounting and financial projects of the Agency which require development in order for the Agency to have acceptable accounting controls and methods and adequate and meaningful reports and financial statements, are unique and complex; they involve the application of both governmental and commercial accounting techniques and methods and the development of finance methods for which there is frequently no precedence. It is therefore my opinion that the duties and responsibilities of such a staff of accountants in CIA will compare favorably with the responsibilities of any such staff in other government departments, and the jobs contemplated must therefore be very highly graded with no less than a grade GS-15 as the chief of the staff and no member of the staff being of less grade than GS-12.

8. I recommend that such a staff be established and composed of a chief at grade GS-15 and as many GS-14's, GS-13's and GS-12's as may be subsequently determined necessary. However, I suggest that the staff be activated by recruiting as soon as possible a GS-15 and recruiting or assigning a GS-14 and two or three GS-13's of appropriate qualifications. Secretarial assistance will also be necessary to support this staff, and it is estimated that two GS-5 clerk stenographers will be required.

9. There are attached descriptions of the proposed positions GS-12 through GS-15 that are believed to be necessary with respect to such a staff. You will observe that I have entitled the staff "Technical Accounting Staff". However, you may prefer a different description such as "Procedural and Inspection Staff", "Control Staff", "Systems Staff", etc.

10. In order to obtain the caliber person that it will take to perform the job as visualized, and in order to attain the objectives desired, I believe it is mandatory that the Chief of the Technical Accounting Staff be classified as a grade GS-15. If Classification does not agree that the job as described by me is a GS-15, I am sure it will only be because of my ineptness at pre-

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senting and preparing the description since I am positive that the job as contemplated warrants such a grade. To recruit for a lesser grade will result in our not obtaining a person with the capabilities necessary to do the job.

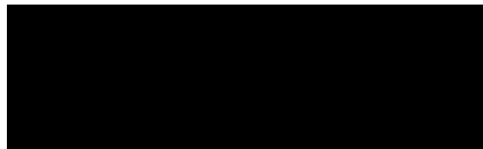
11. In my opinion, the top job must be filled by a high qualified accountant with commercial and governmental experience and education. Also, it would be preferable to fill the position with a CPA, but this is not a mandatory provision as long as we can obtain a person with experience and background comparable to that of a CPA.

12. To further clarify for those persons who review the job descriptions the purpose of the positions, there is also attached as Exhibit A, a schedule of presently known projects for which the Technical Accounting Staff will be responsible. The program as outlined in the attached schedule is, of course, in addition to the day-by-day procedural problems in which these staff employees will be involved, the day-by-day consulting and advisory activities with respect to Fiscal Division, Finance Division, operating offices of CIA and other agencies and departments of the government, and the inspections which they conduct on a planned schedule basis.

13. The procedural portion of these described jobs do not, in my opinion, conflict with either the Fiscal Division or the Finance Division since these two divisions are principally operational units. The Fiscal and Finance Divisions should only prepare procedures for desk-to-desk flow of documents, papers, etc., which would not be covered in the more general overall procedures issued by the Technical Accounting Staff.

14. The program as outlined in Exhibit A will, in many instances, take months and some instances, years to completely develop and refine, and the day-to-day activities of this staff are viewed by me as being a permanent and very necessary continuing function of the Comptroller's Office.

15. Unfortunately, it will take six to eight months to obtain and train such a staff whereas the need is immediate. However, every day that we delay in taking the necessary steps to accomplish this objective, puts off the successful development and management of the accounting and reporting system of CIA that much further in the future. It is therefore recommended that this Staff be activated just as soon as possible.



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Attachments

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Exhibit A

Schedule of Projects for
Technical Accounting Staff

1. Survey of present systems of Fiscal Division to determine any possible improvements in techniques or better application of presently utilized accounting machines or possible use of IBM.
2. Survey of Finance Division for establishing more complete and meaningful commercial accounting records and more complete use of IBM and other machine methods.
3. Plan, develop, and install an inventory accounting system designed to control the dollar value of the huge inventories being acquired by the Agency and designed to be reconcilable with the detailed operating records.
4. Plan, develop, and install an accounting system for unvouchered funds so that funds will be adequately controlled, the concept of obligations will be uniform with all allottees and so the Fiscal and Finance Divisions will receive complete obligation documentation for recording.
5. Devise and install an IBM allotment accounting system for unvouchered funds including reporting procedures to allottees and other interested parties.
6. Develop an adequate system of control over advances including well-defined principles for write-offs or other actions.
7. Prepare procedure manuals for the Fiscal Division and Finance Division including procedures presently performed but not reduced to writing.
8. Study present methods of funding foreign stations, projects, agents, etc., and possible revisions and improvements.
9. Develop and install a program of work measurement and machine utilization records designed to develop standards of performance and use.
10. Develop more complete and meaningful accounting reports and financial statements which will better serve management than at present.
11. Devise a check list of questions to be asked and items to be investigated or discussed by Technical Accounting Staff Officers when surveying the Fiscal Division, the Finance Division, and field stations and other fiscal offices or agents.
12. Study possible and practical extent of decentralization of Fiscal records and activities to field offices.

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13. By research and consultation with experts in the field of finance

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14. Review the accounting problems of projects such as [REDACTED] in order to develop adequate control over and accounting for operating funds, overhead costs, [REDACTED]

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SECURITY INFORMATION
POSITION DESCRIPTION

Accountant - GS-15

Duties

As Chief of the Technical Accounting Staff, requiring a comprehensive knowledge of corporate, commercial and governmental fiscal and accounting practices, theories, and systems and prevailing policies and objectives of CIA, to be responsible for planning, developing, coordinating, supervising and administering a program involving the (1) formulation of current and long range accounting policies and programs involving financial control, accounting and reporting of CIA vouchered and unvouchered funds; (2) directing of procedural studies and surveys for the purpose of determining appropriate accounting techniques and methods to be applied; (3) preparation of fiscal procedure manuals including accounting, examination and reporting procedures for both vouchered and unvouchered funds; (4) installation of difficult and important fiscal and accounting systems, controls, practices and methods in domestic and field offices; (5) analysis and review of the fiscal and accounting operations of CIA accounting and fiscal offices and agents through periodic, regular and special inspections for the purpose of determining compliance with or variance from established fiscal and accounting policies, practices, and procedures; (6) devising and recommending appropriate corrective measures with respect to malpractices, errors and inadequacies in fiscal and accounting operations; (7) serving in a consulting and advisory capacity as representative of the Comptroller at program policy meetings and conferences at which fiscal policy may be involved; (8) development of work measurement techniques and methods and installation of systems to control and measure production and efficiency of Fiscal and Finance personnel and equipment utilization; (9) review and analyze the operations of Fiscal and Finance offices for purpose of determining their compliance with standards of production, the status and volume of workloads, and personnel and equipment needs; and (10) perform special duties as assigned.

Supervision Exercised

As Chief of the Technical Accounting Staff, direct a group of accountants ranging from GS-14 to grade GS-12 the numbers of which will fluctuate to a degree but not necessarily in direct proportion with the expansion and contraction of the Agency programs and problems.

Supervision and Guidance Received

The Chief of the Technical Accounting Staff will report to the Comptroller. He will receive guidance from the Comptroller and Deputy Comptroller. Other guide lines are basic legislation, regulations of the Treasury Department and General Accounting Office, Agency administrative and program policy, and generally accepted corporate accounting principles and practices, but in many instances, because of the character of CIA operations, there will be no established precedents.

Mental Demands

The Chief of the Technical Accounting Staff must have outstanding abilities in the professional accounting field and be possessed of an unusual keen and

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analytical mind in order to deal effectively with the fiscal and accounting problem of CIA. In order to provide policies and related procedures which are sound and acceptable, determinations require the exercise of judgement of a high order as well as comprehensive knowledge of the many and varied activities involved. He must have the ability to develop mutually satisfactory relationships with the various offices, divisions, field stations, etc. of CIA and with outside groups. He will be required to direct a large number of complex projects simultaneously, and he must have the unusual ability to direct a group of high level accountants operating with a high degree of independent action in an extremely wide range of problems.

Personal Work Contacts

Contacts are made with Deputy Directors, Directors of staff offices, branches, and divisions; Directors and Staff Officers of field stations:

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SECURITY INFORMATION

POSITION DESCRIPTION

Accountant - GS-14

Duties

As a member of the Technical Accounting Staff, requiring a comprehensive knowledge of corporate, commercial and governmental fiscal and accounting practices, theories, and systems and prevailing policies and objectives of CIA, to participate in the planning, developing, coordinating, supervising, and administering a program involving the (1) formulation of current and long range accounting policies and programs involving financial control, accounting and reporting of CIA vouchered and unvouchered funds; (2) directing of procedural studies and surveys for the purpose of determining appropriate accounting techniques and methods to be applied; (3) preparation of fiscal procedure manuals including accounting, examination and reporting procedures for both vouchered and unvouchered funds; (4) installation of difficult and important fiscal and accounting systems, controls, practices and methods in domestic and field offices; (5) analysis and review of the fiscal and accounting operations of CIA accounting and fiscal offices and agents through periodic, regular and special inspections for the purpose of determining compliance with or variance from established fiscal and accounting policies, practices, and procedures; (6) devising and recommending appropriate corrective measures with respect to mal-practices, errors and inadequacies in fiscal and accounting operations; (7) serving in a consulting and advisory capacity as representative of the Comptroller at program policy meetings and conferences at which fiscal policy may be involved; (8) development of work measurement techniques and methods and installation of systems of control and measure production and efficiency of Fiscal and Finance personnel and equipment utilization; (9) review and analyze the operations of Fiscal and Finance offices and divisions for the purpose of determining their compliance with standards of production, the status and volume of workloads, and personnel and equipment needs; and (10) perform special duties as assigned.

Supervision Exercised

Direct accountants ranging from grade GS-13 to GS-12 the numbers of which will fluctuate to a degree but not necessarily in direct proportion with the expansion and contraction of the Agency programs and problems.

Supervision and Guidance Received

The GS-14 accountant will receive guidance from the Chief of the Technical Accounting Staff. Other guide lines are basic legislation, regulations of the Treasury Department and General Accounting Office, Agency administrative and program policy, and generally accepted corporate accounting principles and practices, but in many instances, because of the character of CIA operations, there will be no established precedents.

Mental Demands

The GS-14 staff accountant must have outstanding abilities in the professional accounting field and be possessed of an unusual keen and analytical mind in order to deal effectively with the fiscal and accounting problem of CIA. In

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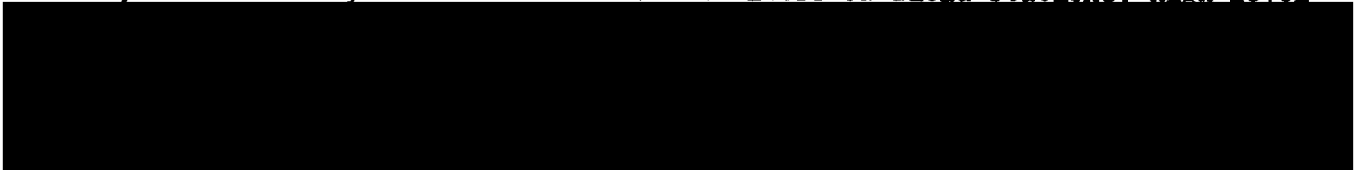
order to provide policies and related procedures which are sound and acceptable, determinations require the exercise of judgement of a high order as well as comprehensive knowledge of the many and varied activities involved. He must have the ability to develop mutually satisfactory relationships with the various offices, divisions, field stations, etc. of CIA and with outside groups. He will be required to direct a large number of complex projects simultaneously, and he must have the unusual ability to direct a group of high level accountants operating with a high degree of independent action in an extremely wide range of problems.

Personal Work Contacts

Contacts are made with Deputy Directors, Directors of staff offices, divisions, and branches; Directors and Staff Officers of field stations; high level

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SECURITY INFORMATION

POSITION DESCRIPTION

Accountant - GS-13

Duties

As a member of the Technical Accounting Staff, requiring a comprehensive knowledge of corporate, commercial and governmental fiscal and accounting practices, theories, and systems and prevailing policies and objectives of CIA, to participate in the planning, developing, coordinating, supervising, and administering a program involving the (1) formulation of current and long range accounting policies and programs involving financial control, accounting and reporting of CIA vouchered and unvouchered funds; (2) directing of procedural studies and surveys for the purpose of determining appropriate accounting techniques and methods to be applied; (3) preparation of fiscal procedure manuals including accounting, examination and reporting procedures for both vouchered and unvouchered funds; (4) installation of difficult and important fiscal and accounting systems, controls, practices and methods in domestic and field offices; (5) analysis and review of the fiscal and accounting operations of CIA accounting and fiscal offices and agents through periodic, regular and special inspections for the purpose of determining compliance with or variance from established fiscal and accounting policies, practices, and procedures; (6) devising and recommending appropriate corrective measures with respect to mal-practices, errors and inadequacies in fiscal and accounting operations; (7) serving in a consulting and advisory capacity as representative of the Comptroller at program policy meetings and conferences at which fiscal policy may be involved; (8) development of work measurement techniques and methods and installation of systems to control and measure production and efficiency of Fiscal and Finance personnel and equipment utilization; (9) review and analyze the operations of Fiscal and Finance offices and divisions for the purpose of determining their compliance with standards of production, the status and volume of workloads, and personnel and equipment needs; and (10) perform special duties as assigned.

Supervision Exercised

As member of the Technical Accounting Staff direct accountants at grade GS-12, the numbers of which will fluctuate to a degree but not necessarily in direct proportion with the expansion and contraction of the Agency programs and problems.

Supervision and Guidance Received

The GS-13 accountant will report to the Chief of the Technical Accounting Staff. He will receive guidance from the Chief of the Technical Accounting Staff and the staff accountant GS-14. Other guide lines are basic legislation, regulations of the Treasury Department and General Accounting Office, Agency administrative and program policy, and generally accepted corporate accounting principles and practices, but in many instances, because of the character of CIA operations, there will be no established precedents.

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SECURITY INFORMATION

Mental Demands

The GS-13 accountant must be an experienced commercial and governmental accountant and be possessed of a keen and analytical mind in order to deal effectively with the fiscal and accounting problem of CIA. In order to provide policies and related procedures which are sound and acceptable, he must exercise good judgement and must have a good knowledge of the many and varied activities involved. He must have the ability to develop mutually satisfactory relationships with the various offices, divisions, field stations, etc. of CIA, and with outside groups. He must have the ability to direct complex projects and must have the ability to supervise accountants at the GS-12 level.

Personal Work Contacts

Contacts are made with Directors of staff offices, divisions, and branches, Directors and Staff Officers of field stations, important officers of CIA agents

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POSITION DESCRIPTION

Accountant - GS-12

Duties

As a member of the Technical Accounting Staff, requiring a comprehensive knowledge of corporate, commercial and governmental fiscal and accounting practices, theories, and systems and prevailing policies and objectives of CIA, to participate in the planning, developing, coordinating, supervising, and administering a program involving the (1) formulation of current and long range accounting policies and programs involving financial control, accounting and reporting of CIA vouchered and unvouchered funds; (2) directing of procedural studies and surveys for the purpose of determining appropriate accounting techniques and methods to be applied; (3) preparation of fiscal procedure manuals including accounting, examination and reporting procedures for both vouchered and unvouchered funds; (4) installations of difficult and important fiscal and accounting systems, controls, practices and methods in domestic and field offices; (5) analysis and review of the fiscal and accounting operations of CIA accounting and fiscal offices and agents through periodic, regular and special inspections for the purpose of determining compliance with or variance from established fiscal and accounting policies, practices, and procedures; (6) devising and recommending appropriate corrective measures with respect to malpractices, errors and inadequacies in fiscal and accounting operations; (7) serving in a consulting and advisory capacity as representative of the Comptroller at program policy meetings and conferences at which fiscal policy may be involved; (8) development of work measurement techniques and methods and installation of systems to control and measure production and efficiency of Fiscal and Finance personnel and equipment utilization; (9) review and analyze the operations of Fiscal and Finance offices and divisions for the purpose of determining their compliance with standards of production, the status and volume of workloads, and personnel and equipment needs; and (10) perform special duties as assigned.

Supervision Exercised

As member of the Technical Accounting Staff works either individually or with a group, but on occasion may be selected as a group leader which would then result in supervision of other GS-12's.

Supervision and Guidance Received

The GS-12 accountant will report to the Chief of the Technical Accounting Staff. He will receive guidance from the Chief of the Technical Accounting Staff and the staff accountants GS-14 and GS-13. Other guide lines are basic legislation, regulations of the Treasury Department and General Accounting Office, Agency administrative and program policy, and generally accepted corporate accounting principles and practices, but in many instances, because of the character of CIA operations, there will be no established precedents.

Mental Demands

The GS-12 accountant must be an experienced commercial and governmental accountant and be possessed of a keen and analytical mind in order to deal

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effectively with the fiscal and accounting problem of CIA. In order to provide policies and related procedures which are sound and acceptable, he must exercise good judgement and must have a good knowledge of the many and varied activities involved. He must have the ability to develop mutually satisfactory relationships with the various offices, divisions, field stations, etc. of CIA, and with outside groups.

Personal Work Contacts

Contacts are made with Directors of staff offices, divisions, and branches, Directors and Staff Officers of field stations, important officers of CIA agents

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